



# Medicare: Answers to Common Questions 2019

Medicare is a topic that every person nearing or in retirement should understand. After all, healthcare costs may make up a big share of your expenses during retirement. Use this guide to learn more about Medicare to help you make better decisions about this important benefit.

## 1. Who is eligible for Medicare?

Most individuals age 65 and older, as well as certain individuals under age 65 who qualify for Social Security disability benefits. Also, individuals with amyotrophic lateral sclerosis (also known as Lou Gehrig's disease) or end-stage renal disease (permanent kidney failure).

## 2. What is the difference between Medicare Part A and Part B?

Medicare Part A is hospital insurance and helps cover the cost of inpatient care. Medicare Part B is medical insurance to cover medically necessary services like visits to the doctor and outpatient care.

### PART A Hospital Insurance

- Hospital Stays
- Skilled Nursing Care
- Home Health Care
- Hospice Care

### PART B Medical Insurance

- Doctors' Services
- Outpatient Medical/Surgical Services
- Diagnostic Tests
- Outpatient Therapy

## 3. How do I enroll for Medicare Part B and how much does it cost?

Generally, you enroll in Medicare Part B when you enroll in Medicare Part A, unless you are still covered by you or your spouse's group medical plan.

There are two options for enrolling for Medicare Part B benefits if you don't sign up when you are first eligible:

- General Enrollment Period - January 1 through March 31 each year.
- Special Enrollment Period - Extending up to eight months after your group coverage ends.

Premiums vary depending on your household income. See the chart below.

## MEDICARE PART B

If your annual household income in 2017 was:

File Individual Tax Return	File Joint Tax Return	You Pay
\$85,000 or less	\$170,000 or less	\$135.50/mo
\$85,001 - \$107,000	\$170,001 - \$214,000	\$189.60/mo
\$107,001 - \$133,500	\$214,001 - \$267,000	\$270.90/mo
\$133,501 - \$160,000	\$267,001 - \$320,000	\$352.20/mo
\$160,001 - \$500,000	\$320,001 - \$750,000	\$433.40/mo
Above \$500,000	Above \$750,000	\$460.50/mo

**Important Note:** If you don't enroll when you're first eligible, premiums will increase 10% for each full 12 months until you do enroll.

## 4. How is Medicare Part C different and why can't I find how much it costs?

Medicare Part C, now called Medicare Advantage, is medical and hospital insurance provided by private companies. Part C:

- Covers everything in Medicare Parts A and B.
- May also cover other medical expenses (e.g. vision, dental).
- May also provide cost-sharing such as co-insurance or copay, but may add additional expense.
- May have premiums that will vary on an individual county basis.

Most Medicare Advantage Plans are managed care plans, usually a health maintenance organization (HMO) or a preferred provider organization (PPO). These plans may require that you choose a primary care physician and get a referral from your PCP to see a specialist, and use only doctors, hospitals, and other medical facilities and services

## 5. What is Medicare Part D and how much does it cost?

Medicare Part D is prescription drug coverage. Part D benefits can be purchased in two different ways:

- Through a Medicare Advantage program (MAPD)
- Through a stand-alone prescription drug plan (PDP) offered by an outside provider.

Other important information about Part D:

- Costs will vary based on which plan you choose.
- There may be an additional charge depending on your income (see below).
- If you do not apply for coverage when eligible, you may have to pay a penalty.
- You can change your plan during the Annual Coordinated Election Period (October 15 – December 7 each year).

### MEDICARE PART D

If your annual household income in 2017 was:

File Individual Tax Return	File Joint Tax Return	Add the following amount to your Part D premium:
\$85,000 or less	\$170,000 or less	\$0.00/mo
\$85,001 - \$107,000	\$170,001 - \$214,000	\$12.40/mo
\$107,001 - \$133,500	\$214,001 - \$267,000	\$31.90/mo
\$133,501 - \$160,000	\$267,001 - \$320,000	\$51.40/mo
\$160,001 - \$500,000	\$320,001 - \$750,000	\$70.90/mo
Above \$500,000	Above \$750,000	\$77.40/mo

## 6. What is the coverage gap for Medicare Part D?

Most Part D programs have what is called a “donut hole,” or coverage gap. This means that after total retail costs for your prescriptions reach \$3,820 (for 2019), you will have to pay the full amount until you have paid a total of \$5,100 (for 2019). At that point, catastrophic coverage will pick up most of the additional prescription drug costs. In 2019, there is assistance for individuals who reach the “donut hole.” You’ll get a 75% discount on brand-name drugs and a 63% discount on generic drugs. You still receive credit for the full cost in meeting the “donut hole” exclusion amount.

## 7. What is Medigap insurance?

Medigap insurance is Medicare supplemental insurance provided by private insurance companies to help cover some of the costs not covered by Medicare (such as the 20% co-insurance).

\*Medicare rates are subject to change.

\*\*This is meant only as a guide to help you understand Medicare information.

You have a six-month open enrollment period to buy a Medigap policy. The period starts the month you’re 65 and enrolled in Part B. You have a guaranteed right to buy any Medigap policy sold in your state regardless of your health status during that time.

If purchased after the initial enrollment period, however, the insurance company can require underwriting, set waiting periods for pre-existing conditions, set different terms or premiums, or may not accept your application at all.

## 8. What if I’m still working?

If you or your spouse is still working and has insurance through your employer, contact your benefits administrator to find out how your insurance works with Medicare.

## 9. Can I change my coverage?

There are certain times of year when you can make changes to the coverage you already have:

- 1] During certain open enrollment periods that happen every year from October 15 – December 7.
- 2] Under certain circumstances that qualify you for a Special Enrollment Period (SEP), such as the following:
  - You move.
  - You’re eligible for Medicaid.
  - You qualify for extra help with Medicare prescription drug costs.
  - You’re getting care in an institution, such as a skilled nursing facility or long-term care hospital.

## 10. How do I enroll in Medicare?

The Social Security Administration handles Medicare eligibility and enrollment. You can contact the Social Security Administration at 800-772-1213 to enroll in Medicare or to ask questions about whether you are eligible. You can also enroll online at [www.socialsecurity.gov](http://www.socialsecurity.gov).

You are eligible when you turn 65. Sign up 3 months prior to your birthday to avoid delaying your coverage. You are still eligible to sign up the month you turn 65 and 3 months after.

**For More Information Contact:**

**Your PGP Medicare Expert  
KEVIN LAWRENCE**

**Office:** 631.951.9200 ext 171  
**Cell:** 516.524.8863 **Fax:** 631.656.2561

[Lawrencek@pgpbenefits.com](mailto:Lawrencek@pgpbenefits.com)